



Oversight Committee

Minutes of Regular Meeting: November 20, 2012

ATTENDANCE AT MEETING:

Theldon R. Branch, III, Chair - **Present**
Ann Lents, Vice Chair – Absent, with notice
Frances Castaneda Dyess, Working Group Chair – **Present**
Dwight Boykins, Working Group Chair - **Present**
Edward Taravella - **Present**
C.P. “Chip” Bryan – Absent, with notice
Bert Keller, Working Group Chair – **Present**
Gilbert Herrera, Working Group Chair - **Present**
Jeff Ross, Working Group Chair – **Present**
Council Member Oliver Pennington – **Present**

1. Call to Order / Welcome

Chairman Theldon Branch called the meeting of the ReBuild Houston Oversight Committee to order at 10:40 a.m. Council members present but not members of the Committee included Wanda Adams and Larry Green.

2. Approval of the Minutes

Motion was made by Gilbert Herrera for approval of minutes. Mr. Bert Keller seconded the motion. Mr. Jeff Ross abstained. Motion carried.

3. TTI "+5 Year Plan" Update

Mr. Dale Rudick provided the historical background with respect to the "+5 Year Plan" where the Oversight Committee acted to move forward with the "+5 Year Plan" on June 26, 2012. The Plan was presented to City Council's TTI Committee on September 12, 2012. A joint TTI/Oversight Committee meeting was held on October 18, 2012 with a presentation made by Chairman Branch and a discussion led by Chairman Noriega. The meeting was adjourned but the discussion was to be continued on October 30, 2012. It was later learned that City Council's Budget & Fiscal Affairs Committee would be meeting at that scheduled time which as mandated by ordinance, thus the joint October 30 meeting was cancelled. On November 7, 2012, Chairman Noriega and Councilmember Costello met with Director Krueger and Dale Rudick regarding follow on actions to the joint meeting. The two council members are planning to meet with each individual district council member regarding the "+5 Year Plan" in their individual district. These meetings are being scheduled in December to take the initiative to receive their input and individual concerns. Mr. Rudick will also attend the meeting and will keep the Committee informed once the meetings are completed.

4. Project Prioritization Workshop

Mr. Rudick introduced Ms. Carol Haddock who is a Senior Assistant Director in the Planning and Development Services Division of PWE. She leads the Infrastructure Planning Branch. Ms. Haddock provided a workshop with a Power Point Presentation (attached) on Candidate "Project Prioritization" as described in the July 18, 2012 version of the *CIP Process Manual*. Handouts provided were Tables 3.1 to 3.5 from the *CIP Process Manual* and an example scoring sheet for a Local Street Candidate Project evaluation.

Ms. Haddock explained the three components of the Candidate Project Priority Score (CPPS) for project comparison which include: a) Service Area Benefit Factor, b) Benefitted Population of Users and c) Cost (ReBuild Houston funds expended). At the end of the presentation Ms. Haddock responded to several questions and comments. The question was raised if this evaluation process was utilized anywhere else. Ms. Haddock responded that this Project Prioritization evaluation methodology is similar to what is used by the Federal government through the Corps of Engineers and the Bureau of Reclamation.

The question and answer session continued. Director Krueger emphasized that the Needs analysis is a consistent analysis performed throughout the City which determines where we first look to develop cost efficient projects. The largest constraint we have is the amount of money available. Director Krueger continued that PWE is always glad to take the Oversight Committee's recommendation to make this a better process. We are developing candidate projects so that they may be compared to other candidate projects city-wide. The list of Need Areas is what PWE has for the needs in individual council districts. The Director said that PWE is always willing and has been working with council members; and if we can make the process better, then let us know.

5. Executive Report

The following information was presented by Mr. Rudick:

- 2013 Monthly Meeting Calendar (attached): Most meetings are scheduled for the 4th Tuesday of the month with the exception of January, November and December. January will be the 5th Tuesday so that the next DRAFT Plan can be distributed to the committee members in advance of the meeting. November and December will be on the 3rd Tuesday to avoid holiday conflicts.
- Quarterly Reports (attached): The quarterly (ending September 30, 2012) reports for the Dedicated Street & Drainage Fund Group and Drainage Utility Collections were distributed and will be placed on the ReBuild Houston Website.
- Drainage Utility Fees Collections/Expenditures exhibit dated November 7, 2012 (attached) was distributed and is posted on line. Mr. Ross stated that the collection rate needs to be improved.
- A memorandum dated October 12, 2012 to Chairman Branch providing a listing of capital outlay expenditures from the Drainage Utility Fee for year ended June 30, 2012 was distributed. Mr. Taravella said he would prefer a summation by project and what the total cost is for each project.
- Next meeting will be on December 18, 2012 at 10:30 a.m. in the Mayor's Conference Room.

6. **Old Business/New Business** – None reported

7. **Public Comments** – None

8. **Adjourn:** Motion made and approved to adjourn the meeting at 12:28 p.m.

Attachments:

- "Project Prioritization Workshop" Power Point presentation
- 2013 Monthly Meeting Calendar
- Dedicated Street & Drainage Fund Group Report for Quarter ending 9/30/12
- Drainage Utility Collections Report for Quarter ending 9/30/12
- Drainage Utility Fees Collections/Expenditures as of 11/7/12

thumbs up



for progress

REBUILD HOUSTON

better streets. better drainage. better future.

1

Taking Control of our Destiny

Project Prioritization Workshop

“5 Year Plan” Process

2

CIP Programming

(Years 1 thru 5)

- Design
- Bid
- Award
- Construction

- Since 1984 -

“5+5 Year Plan” Process



3

CIP Programming

(Years 1 thru 5)

- Design
- Bid
- Award
- Construction

- Since 1984 -

“+5” Planning

(Years 6 thru 10)

- ID & Prioritize Needs
- Develop Solutions
- Define Projects
 - Pre-Engineering

- Since 2011 -

“5+5 Year Plan” Process



4

CIP Programming

(Years 1 thru 5)

- Design
- Bid
- Award
- Construction

- Since 1984 -

“+5” Planning

(Years 6 thru 10)

- ID & Prioritize Needs
- Develop Solutions
- Define Projects
 - Pre-Engineering
- Prioritize Projects
 - Based on Benefit/Cost
- Best Projects to CIP

- Since 2012-

Candidate Project Prioritization



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- Develop a Process that is:
 - Objective
 - Measurable
 - Transparent
 - Coordinated with Annual CIP Process

- Prioritizes highest benefits compared to costs

Candidate Project Priority Score (CPPS)



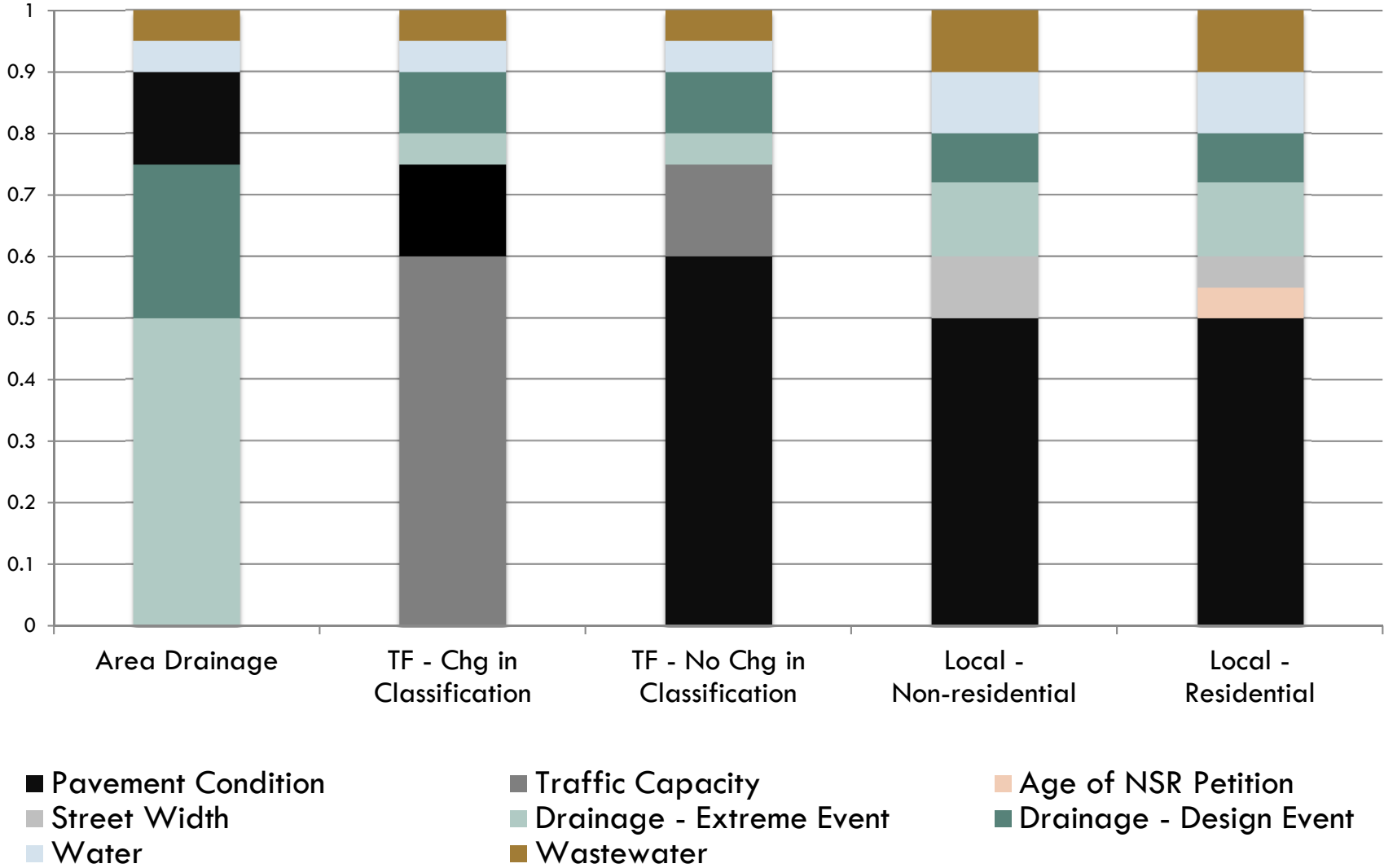
6

- **Service Area Benefit Factor**
 - 60% to 75% reflects Primary Need
 - 25% to 40% reflects other infrastructure in project area
- **Benefitted Population of Users**
- **Cost or City RH Funds, not including:**
 - Water and Wastewater Enterprise funds
 - Other outside funding

$$\text{CPPS} = \text{Service Area Benefit Factor} \times \frac{\text{Benefitted Population}}{\text{City RH Funds}}$$

- **Best Projects referred to CIP** (by Category)

Maximum Benefit Factor by *PRIMARY* Need



Local Streets (Residential)

Table 3.5



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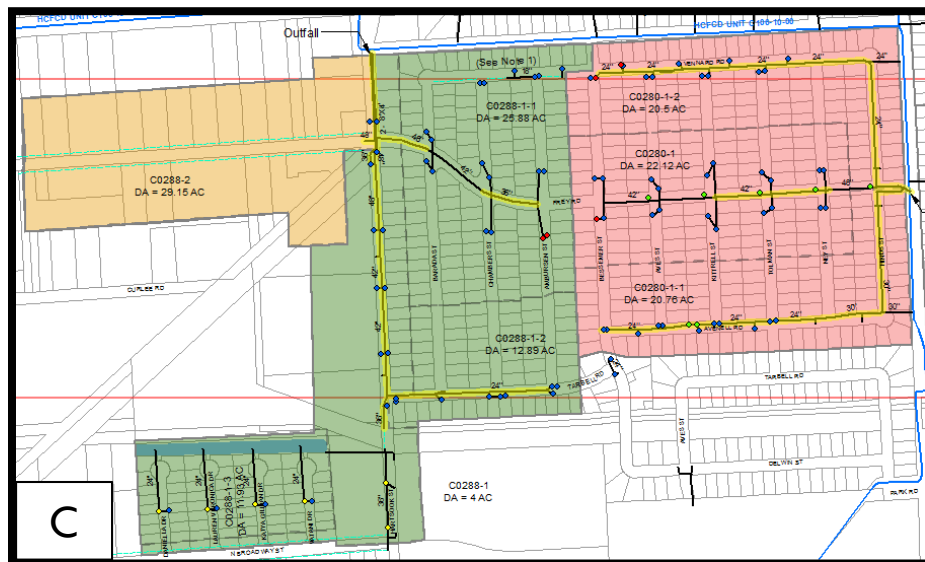
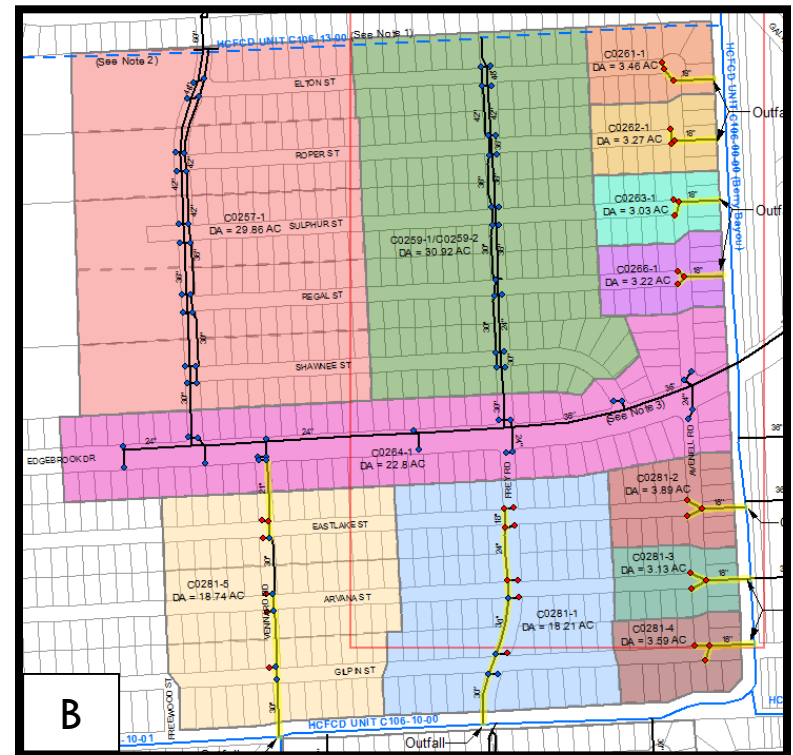
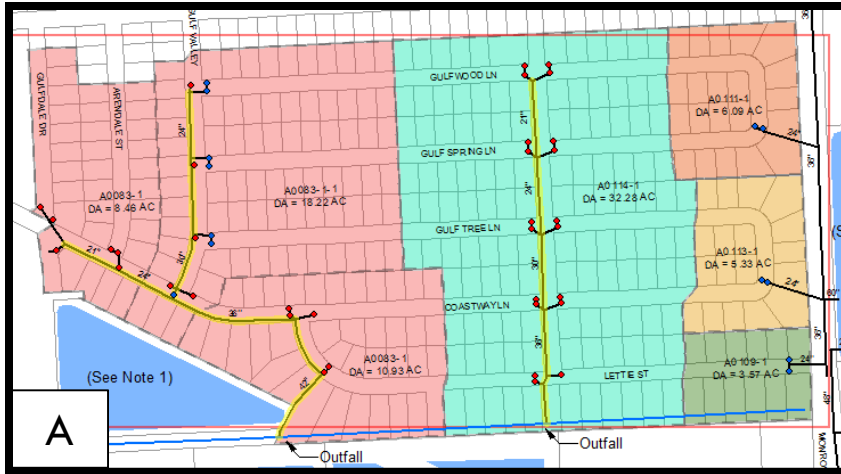
Example

**Local Street
(Residential)**

3 Competing Candidate Projects

Local Streets (Residential)

Example Need Areas



Local Streets (Residential)

Existing Conditions



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Candidate	A	B	C
Existing Conditions			
Existing Streets	2-way, no pkg	2-way, no pkg	2-way, no pkg
Average PCR Score	52	54	55
Age of NSR Petition	> 10 yrs	No Petition	< 5 yrs
Drng – Design Event	Inadequate	Adequate	Inadequate
Drng – Extreme Event	Inadequate	Inadequate	Inadequate

Local Streets (Residential)

Proposed Conditions



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Candidate	A	B	C
Existing Conditions			
Existing Streets	2-way, no pkg	2-way, no pkg	2-way, no pkg
Average PCR Score	52	54	55
Age of NSR Petition	> 10 yrs	No Petition	< 5 yrs
Drng – Design Event	Inadequate	Adequate	Inadequate
Drng – Extreme Event	Inadequate	Inadequate	Inadequate
Proposed Conditions with Candidate Project			
Street Width & Use	2-way w/pkg	2-way w/pkg	2-way, no pkg
Drng – Design Event	Adequate	Adequate	Adequate
Drng – Extreme Event	Adequate	Partial	Partial
Water*	Low Priority-Replace	Replace	Existing
Wastewater*	Partial Replace	Replace	Existing

Local Streets (Residential)

Candidate Projects Compete



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$$\text{CPPS} = \text{Service Area Benefit Factor} \times \frac{\text{Benefitted Population}}{\text{City RH Funds}}$$

Candidate	A	B	C
Service Area Benefit Factor	91	77	62
Benefitted Population	330	580	545
City RH Funds (\$1,000)	\$12,000	\$14,500	\$17,000
CPPS	2.50	3.08	1.99

Higher CPPS scores reflect better RH investments.

Programming Candidate Projects



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CIP Programming

(Years 1 thru 5)

- Design
- Bid
- Award
- Construction

- Since 1984 -

“+5” Planning

(Years 6 thru 10)

- ID & Prioritize Needs
- Develop Solutions
- Define Projects
 - ▣ Pre-Engineering
- **Prioritize Projects**
 - ▣ Based on Benefit/Cost
- **Best Projects to CIP**

- Since 2012-

Candidate Project Prioritization



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QUESTIONS



ReBuild Houston Oversight Committee 2013 Monthly Meeting Calendar

January 29, 2013

February 26, 2013

March 26, 2013

April 23, 2013

May 28, 2013

June 25, 2013

July 23, 2013

August 27, 2013

September 24, 2013

October 22, 2013

November 19, 2013

December 17, 2013

Time: 10:30 a.m.

Location: Mayor's Conference Room, City Hall

City of Houston
 Department of Public Works and Engineering
 Dedicated Street & Drainage Fund Group
 FY13 Budget and CIP Report
 For the Quarter ending September 30, 2012

CONSOLIDATED APPROPRIATIONS	Adopted Budget	Refined Budget	Adopted CIP	Refined Budget + CIP²	September 30, 2012	Current Projection
OPERATIONS AND MAINTENANCE¹						
Street and Drainage	\$ 15,012,222	\$ 15,012,222		\$ 15,012,222	\$ 2,656,063	\$ 15,012,222
Traffic Operations	\$ 19,696,294	\$ 19,696,294		\$ 19,696,294	\$ 4,082,102	\$ 19,696,294
Support Operations	\$ 643,559	\$ 643,559		\$ 643,559	\$ 122,935	\$ 643,559
Other Drainage Operational Expenditures ³	\$ 4,191,347	\$ 4,191,347		\$ 4,191,347	\$ 392,814	\$ 4,191,347
Total O&M	\$ 39,543,422	\$ 39,543,422		\$ 39,543,422	\$ 7,253,913	\$ 39,543,422
PERMANENT AND CAPITAL IMPROVEMENTS¹						
Street Resurfacing	\$ 11,920,741	\$ 11,920,741		\$ 11,920,741	\$ 2,285,193	\$ 11,920,741
Bridge Replacement	\$ 1,501,695	\$ 1,501,695		\$ 1,501,695	\$ 213,308	\$ 1,501,695
Concrete Replacement	\$ 8,253,442	\$ 8,253,442		\$ 8,253,442	\$ 1,340,867	\$ 8,253,442
Capital Equipment	\$ 68,300	\$ 68,300		\$ 68,300	\$ 29,316	\$ 68,300
Total Permanent Impr./Capital Impr.	\$ 21,744,178	\$ 21,744,178		\$ 21,744,178	\$ 3,868,685	\$ 21,744,178
Sub-total - Budget	\$ 61,287,600	\$ 61,287,600				
CIP						
Metro Capital			\$ 48,694,000	\$ 53,665,392	\$ 5,258,196	\$ 53,665,392
Grant Funds			\$ 38,157,000	\$ 38,157,000	\$ -	\$ 38,157,000
Capital Contribution			\$ 4,668,000	\$ 4,668,000	\$ -	\$ 4,668,000
Other			\$ -	\$ 555,000	\$ -	\$ 555,000
DDSRF Capital Fund (4042)			\$ 105,000,000	\$ 128,439,877	\$ 27,998,499	\$ 128,439,877
Total CIP			\$ 196,519,000	\$ 225,485,269	\$ 33,256,696	\$ 225,485,269
Total Permanent and Capital				\$ 247,229,447	\$ 37,125,380	\$ 247,229,447
Reconciling Items						
Transfers to Capital Funds						
Transfer to Stormwater Fund	\$ 7,653,700	\$ 7,653,700				
Transfer to Drainage Capital Fund	\$ 110,000,000	\$ 110,000,000				
Total Transfers	\$ 117,653,700	\$ 117,653,700				
Grand Total	\$ 178,941,300	\$ 178,941,300	\$ 196,519,000	\$ 286,772,869	\$ 44,379,293	\$ 286,772,869
O&M as Percentage of Grand Total				13.79%	16.35%	13.79%

- 1) Budgeted amounts for ongoing level of service provided by City Personnel - previously in the General Fund and reimbursed by METRO, now in fund 2310 and reimbursed by METRO.
- 2) The difference between Adopted CIP vs. Refined CIP is due to rollover of projects that were in the FY12 CIP that were not appropriated until FY13.
- 3) Significant effort by Combined Utility System staff goes into the Rebuild Houston effort that is not paid for from DDSRF dollars. Only three permanent employees are included in the 2310 funding.

City of Houston
Public Works and Engineering Department
Drainage Utility Collections
For the Quarter ending September 30, 2012

	1st Quarter Billing and Collection Year to Date			Projections for Fiscal Year		
	Billings ¹	Collections	% Collected	Billings	Collections ²	Projected % Collected
Monthly Bills - Active Accounts	\$18,851,778	\$13,428,890	71.23%	\$75,188,443	\$72,331,282	96.20%
Monthly Bills - Inactive Water Accounts ³	\$696,931	\$281,905	40.45%	\$2,759,754	\$1,931,828	70.00%
Bi-Monthly - Sewer Only	\$33,631	\$3,955	11.76%	\$153,282	\$116,494	76.00%
Quarterly ⁴	\$8,826,440	\$5,783,861	65.53%	\$34,935,255	\$28,881,818	82.70%
City Bills	\$0	\$0	0%	\$1,618,578	\$1,618,578	100%
Total	\$28,408,780	\$19,498,611	68.64%	\$114,655,312	\$104,880,000	91.47%

1 Total Fiscal Year billings reflect actual status as of 9/30/2012

2 All annual projections are based on collections on FY13 bills through August 2013, per Governmental Accounting Standards. Collection activities will continue on last year's unpaid balances with expectation to collect more, particularly on quarterly accounts.

3 These are primarily unoccupied single family homes. The owners are billed as tenants move out.

4 Quarterly bills are systematically being moved from quarterly to monthly as matched. Some monthly bills have been consolidated based on owner request and billed quarterly.

Drainage Utility Fees Inception to Date (ITD) Collections / Expenditures (\$ in Thousands) (As of Nov 7, 2012)

